



ARIZONA CORPORATION COMMISSION

October 17, 2014

The Honorable Tom Wheeler, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20536

Re: In the Matter of Connect America Fund et al., WC Docket No. 10-90, WC Docket No. 14-58; WC Docket No. 07-135, WT Docket No. 10-208, CC Docket No. 01-92 et al., Notice of filing Ex Parte Comments on Further Notice of Proposed Rulemaking ("FNPRM")

Dear Chairman Wheeler:

The Arizona Corporation Commission ("ACC") supports the Federal Communications Commission's ("FCC") efforts to increase the deployment of broadband to rural areas. Broadband is an important vehicle for rural communities to promote economic development, increase educational opportunities and participate in the important events which shape our world to the same extent as urban communities. For this reason, we are writing today to offer comment on several important issues raised in the FCC's June 10, 2014 Further Notice of Proposed Rulemaking ("FNPRM") with respect to Phase II of the Connect America Fund ("CAF II").

First, the ACC supports the FCC's proposal to increase the downstream speed standard from 4Mbps to 10 Mbps to ensure that consumers living in rural areas have access to advanced telecommunications and information services that are reasonably comparable to the services available in urban areas. Particularly compelling is the State Broadband Initiative data which shows that only two percent of urban consumers lack access to fixed broadband with speeds of 10 Mbps downstream/768 kbps upstream. The FCC should also consider a modification to the upstream speed if consistent with urban offerings. These standards should be applied to all markets. In the end, however, the FCC must carefully balance these important objectives with the goal of ubiquitous deployment in rural areas.

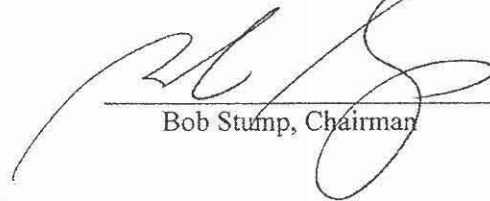
Second, providing carriers that accept a state level commitment some flexibility with respect to the locations served will be key to a successful deployment. The FNPRM seeks comment on permitting Phase II recipients that have accepted a state level commitment to specify if they want to deploy to less than 100% of locations in their funding area, with a commensurate reduction in funding levels, unless other locations are served. The recommended minimum of 95% suggested in the FNPRM would likely be adequate in most cases, however, carriers should be allowed to go down to a floor of 90% for good cause shown. This may be necessary when unforeseen circumstances arise especially given that the model used to determine costs to deploy in a given area is not always an accurate representation of the actual locations and conditions within each census block. Flexibility is critical for carriers to be able to adapt to real world conditions. Such flexibility could also include the ability to substitute some un-served locations within partially served census blocks for locations within funded census blocks. If this occurs, the Phase II funding recipient should be required to publish the locations in any partially served census blocks it has identified for service so other providers can determine whether they already serve these areas. This will ensure that CAF funds are not used to overbuild existing providers.

Third, the FNPRM also asked for comment on extending the CAF Phase II model-based support term to a period longer than five years if the FCC adopts the proposal to extend broadband downstream speeds to 10 Mbps. The ACC believes that a longer term would be appropriate given the challenges involved in increasing the downstream speed to 10 Mbps. Further, since model based build out requirements and time frames oftentimes may not reflect real world circumstances, carriers accepting a state-level commitment should have the ability to extend the term for full deployment out by several additional years. In this instance, seven to ten years would not be unreasonable for the CAF II model based support term given an undertaking of this magnitude.

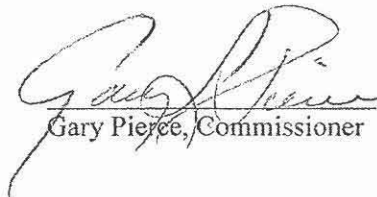
Finally, it is important in this final phase of the CAF program, for the FCC to require all carriers making claims that an area is served, to provide hard data and evidence which support their claims before any community, census block or un-served customer is disqualified from receiving CAF II support. If a carrier can level such a claim without any support for designating a given census block as already being served, many un-served locations will be deemed ineligible for support even though they have no real prospect of ever obtaining broadband service.

The ACC supports the FCC's proposals with respect to CAF II as discussed above. With the modifications discussed above, we are hopeful that the number of rural Arizona customers that will ultimately benefit by the CAF II will be maximized. Thank you for your consideration of our comments.

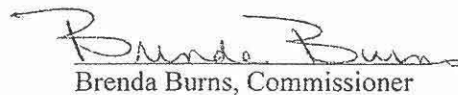
Very truly yours,



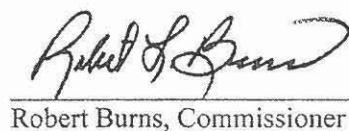
Bob Stump, Chairman



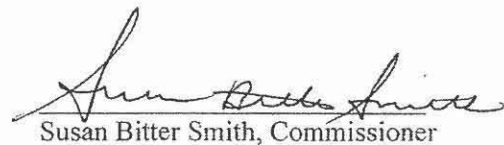
Gary Pierce, Commissioner



Brenda Burns, Commissioner



Robert Burns, Commissioner



Susan Bitter Smith, Commissioner

Cc: The Honorable Mignon Clyburn, Commissioner
The Honorable Jessica Rosenworcel, Commissioner
The Honorable Ajit Pai, Commissioner
The Honorable Michael O'Rielly
Commissioner Gary Pierce
Commissioner Brenda Burns
Commissioner Bob Burns
Commissioner Susan Bitter Smith
Julie Veach, Wireline Competition Bureau Chief
Carol Matthey, Deputy Bureau Chief